



**CASA**

Court Appointed Special Advocates

**FOR CHILDREN**

**CASA OF THE PIKES PEAK REGION**

**Lift up a child's voice.**

**A child's life.™**

***CASA OF THE PIKES PEAK REGION, INC.***

***FINANCIAL STATEMENTS***

***WITH***

***INDEPENDENT AUDITORS' REPORT***

***JUNE 30, 2019***

**OSBORNE, PARSONS & ROSACKER, LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

## TABLE OF CONTENTS

	<b>Page</b>
<b>Independent Auditors' Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
<b>Notes to Financial Statements</b>	7

**OSBORNE, PARSONS & ROSACKER, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

601 NORTH NEVADA AVENUE  
COLORADO SPRINGS, COLORADO 80903-1005

JEFFREY S. ROSACKER, CPA – PARTNER  
MITCHELL K. DOWNS, CPA, ABV – PARTNER

GREGORY P. PARSONS, CPA

TELEPHONE (719) 636-2321  
FAX (719) 636-2517  
WEB WWW.SPRINGSCPA.COM

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
CASA of the Pikes Peak Region, Inc.  
Colorado Springs, Colorado

We have audited the accompanying financial statements of CASA of the Pikes Peak Region, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITORS' REPORT-CONTINUED**

**Page 2**

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA of the Pikes Peak Region, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in the notes to the financial statements, in 2019 the entity adopted new accounting guidance related to net asset classification, liquidity and availability of resources and functional allocation of expenses. Our opinion is not modified with respect to this matter.

**Prior Period Financial Statements**

The financial statements of CASA of the Pikes Peak Region, Inc. as of June 30, 2018, were audited by other auditors whose report dated January 24, 2019, expressed an unmodified opinion on those statements.

**Other Matters**

*Report on Summarized Comparative Information*

The June 30, 2018 summarized comparative information in the financial statements was subjected to the auditing procedures applied in the June 30, 2018 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the June 30, 2018 financial statement as a whole.

*Osborne, Parsons & Woachon LLP*

Colorado Springs, Colorado

December 2, 2019

**CASA OF THE PIKES PEAK REGION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2019**  
**With Comparative Totals for 2018**

**ASSETS**

<b>Current Assets</b>	<b>2019</b>	<b>2018</b>
Cash and Cash Equivalents	\$ 538,457	\$ 473,655
Grants Receivable	171,684	27,458
Promises to Give, Net	301,574	271,258
Accounts Receivable	-	2,809
Prepaid Expenses	10,361	15,950
<b>Total Current Assets</b>	<b>1,022,076</b>	<b>791,130</b>
<b>Noncurrent Assets</b>		
Investments	611,659	612,111
Promises to Give, Net	24,912	81,233
Property and Equipment	1,285,109	1,336,331
<b>Total Assets</b>	<b>\$ 2,943,756</b>	<b>\$ 2,820,805</b>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>		
Accounts Payable	\$ 19,535	\$ 23,334
Accrued Liabilities	86,506	65,159
Deferred Revenue	-	100
Current Portion of Note Payable	-	48,269
<b>Total Current Liabilities</b>	<b>106,041</b>	<b>136,862</b>
<b>Noncurrent Liabilities</b>		
Notes Payable	-	<b>351,731</b>
<b>Total Liabilities</b>	<b>106,041</b>	<b>488,593</b>
<b>Net Assets</b>		
Without Donor Restrictions		
Available for Operations	2,035,625	1,634,195
Board Designated for Endowment	54,635	55,686
<b>Total Net Assets Without Donor Restrictions</b>	<b>2,090,260</b>	<b>1,689,881</b>
With Donor Restrictions	747,455	642,331
<b>Total Net Assets</b>	<b>2,837,715</b>	<b>2,332,212</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,943,756</b>	<b>\$ 2,820,805</b>

See Notes to Financial Statements

**CASA OF THE PIKES PEAK REGION, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2019**  
**With Comparative Totals for 2018**

	Without Donor	With Donor	Totals	
	Restrictions	Restrictions	2019	2018
<b>Public Support and Revenue</b>				
<b>Public Support</b>				
Contributions and Private Grants	\$ 492,190	\$ 28,072	\$ 520,262	\$ 445,157
Gifts in Kind	11,055	-	11,055	88,198
Government Grants	352,046	100,000	452,046	501,582
Light of Hope Event	367,471	-	367,471	419,726
Circle of Impact Events	83,146	6,088	89,234	63,411
Mail Appeal	47,520	-	47,520	102,221
Every Child	-	723,326	723,326	528,651
<b>Total Public Support</b>	<u>1,353,428</u>	<u>857,486</u>	<u>2,210,914</u>	<u>2,148,946</u>
<b>Revenue</b>				
Program Service Fees	205,032	-	205,032	210,477
Investment (Loss) Income	(4,399)	(3,329)	(7,728)	51,028
<b>Total Revenue</b>	<u>200,633</u>	<u>(3,329)</u>	<u>197,304</u>	<u>261,505</u>
Net Assets Released from Restrictions	749,033	(749,033)	-	-
<b>Total Public Support and Revenue</b>	<u>2,303,094</u>	<u>105,124</u>	<u>2,408,218</u>	<u>2,410,451</u>
<b>Expenses</b>				
<b>Program Services</b>				
Children's Advocacy Program	1,510,227	-	1,510,227	1,595,185
<b>Supporting Services</b>				
Fundraising	232,637	-	232,637	252,037
General and Administration	140,019	-	140,019	247,890
<b>Total Supporting Services</b>	<u>372,656</u>	<u>-</u>	<u>372,656</u>	<u>499,927</u>
Bad Debts on Pledges	19,832	-	-	42,348
<b>Total Expenses</b>	<u>1,902,715</u>	<u>-</u>	<u>1,902,715</u>	<u>2,137,460</u>
<b>Change in Net Assets</b>	400,379	105,124	505,503	272,991
<b>Beginning Net Assets</b>	<u>1,689,881</u>	<u>642,331</u>	<u>2,332,212</u>	<u>2,059,221</u>
<b>Ending Net Assets</b>	<u>\$ 2,090,260</u>	<u>\$ 747,455</u>	<u>\$ 2,837,715</u>	<u>\$ 2,332,212</u>

See Notes to Financial Statements

**CASA OF THE PIKES PEAK REGION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2019**  
**With Comparative Totals for 2018**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Totals</u>	
		<u>General and Administrative</u>	<u>Fundraising</u>	<u>2019</u>	<u>2018</u>
Salaries and Related Costs	\$ 1,124,210	\$ 109,679	\$ 137,099	\$ 1,370,988	\$ 1,401,793
Professional Fees	54,909	5,357	6,696	66,962	156,449
Rent/Facility	69,059	6,737	8,422	84,218	85,880
Volunteer Support and Training	25,034	-	-	25,034	71,991
Fall Campaign and Mail Appeals	-	-	67,780	67,780	67,550
Light of Hope	-	-	-	-	46,807
Depreciation	42,002	4,098	5,122	51,222	38,141
Equipment Repairs/Maintenance	48,202	-	-	48,202	35,528
Insurance	16,428	1,603	2,004	20,035	28,828
Milton Foster Children's Fund	22,030	-	-	22,030	23,651
Office Supplies	15,025	1,466	1,832	18,323	19,050
Moving Expenses	-	-	-	-	15,592
Bank Charges	8,331	813	1,016	10,160	13,863
Dues and Publications	11,213	-	-	11,213	10,327
Licenses and Fees	11,711	-	-	11,711	9,598
Postage and Printing	4,322	422	527	5,271	8,131
Interest Expense	-	2,218	-	2,218	5,683
Travel	4,296	-	-	4,296	5,387
Business Meetings	3,111	303	379	3,793	1,644
Communications with Donors	30,832	-	-	30,832	-
Gifts and Memorials	2,495	-	-	2,495	-
Staff Recruitment and Training	5,010	489	611	6,110	-
Supplies	7,326	715	894	8,935	-
Other	-	-	-	-	3,021
In-kind Expenses	4,681	6,119	255	11,055	46,198
<b>Total Expenses - 2019</b>	<b>\$ 1,510,227</b>	<b>\$ 140,019</b>	<b>\$ 232,637</b>	<b>\$ 1,882,883</b>	
Percentage Total Expenses - 2019	80%	8%	12%	100%	
<b>Total Expenses - 2018</b>	<b>\$ 1,595,185</b>	<b>\$ 247,890</b>	<b>\$ 252,037</b>		<b>\$ 2,095,112</b>
Percentage Total Expenses - 2018	76%	12%	12%		100%

See Notes to Financial Statements

**CASA OF THE PIKES PEAK REGION, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2019**  
**With Comparative Totals for 2018**

	<b>2019</b>	<b>2018</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 505,503	\$ 272,991
Adjustments to Arrive at Net Cash Flow from Operating Activities		
Depreciation	51,222	38,141
Allowance Bad Debts	19,832	42,348
Net Unrealized and Realized Losses (Gains) on Investments	30,420	(30,228)
Changes in		
Grants Receivable	(144,226)	16,056
Promises to Give, net	6,173	(159,837)
Accounts Receivable	2,809	(2,809)
Prepaid Expenses	5,589	21,745
Accounts Payable	(3,799)	(45,610)
Accrued Liabilities	21,347	19,633
Deferred Revenue	(100)	(3,929)
Net Cash Flow Provided by Operating Activities	494,770	168,501
<b>Cash Flows from Investing Activities</b>		
Purchase of Investments	(87,284)	(149,758)
Proceeds from Sale of Investments	57,316	224,689
Purchases of Property and Equipment	-	(1,298,010)
Net Cash Flow Used by Investing Activities	(29,968)	(1,223,079)
<b>Cash Flows from Financing Activities</b>		
Proceeds from Notes Payable	-	400,000
Principal Payments on Notes Payable	(400,000)	-
Principal Payments on Capital Lease Obligations	-	(15,623)
Net Cash Flow (Used) Provided by Financing Activities	(400,000)	384,377
<b>Change in Cash and Cash Equivalents</b>	64,802	(670,201)
<b>Beginning Cash and Cash Equivalents</b>	473,655	1,143,856
<b>Ending Cash and Cash Equivalents</b>	\$ 538,457	\$ 473,655

See Notes to Financial Statements



**CASA OF THE PIKES PEAK REGION, INC.  
NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significance accounting policies of CASA of the Pikes Peak Region, Inc. (Organization) is presented to assist in understanding the financial statements.

**Nature of Activities** – CASA of the Pikes Peak Region, Inc. (CASA) was incorporated on October 27, 1988 as a non-profit organization that was established to help abused and neglected children in crisis who are under the care and protection of the juvenile court. As an advocate for these children, CASA works using trained, citizen volunteers appointed by the juvenile court to assure each child has a safe, permanent home as expediently as possible. The volunteers work with individual children to represent their needs and interests. CASA services are provided in El Paso and Teller Counties covering the fourth Judicial District.

Within the Dependency and Neglect program (D&N) CASA supports efforts for abused victims through the following initiatives:

*LifeLong Links (LLL)* – LLL program conducts nationwide searches for, and interviews of, family members and other important people to ensure that foster children have continuity in relationships, information about their families and long-term connections for the future and possible permanent placements.

*Fostering Futures* – Fostering Futures is a curriculum developed by the national Court Appointed Special Advocate Association that focuses on improving outcomes for older and emancipating youth (14-21 years of age) served by CASA volunteers.

*Peer Coordinated Model (PCM)* – Peer Coordinators are experienced advocates who take on the role of coach and mentor to other Advocates, adding another level of volunteer leadership to the organization and helping CASA build capacity to serve all children in need.

CASA programs also include:

*Supervised Exchange & Parenting Time (SEPT)* – SEPT is a court-ordered service to protect children from witnessing high conflict parental disputes.

*Children & Families in Transition (CFIT)* – CFIT educates parents about the effects of divorce on children.

*Milton Foster Children's Fund (MFCF)* – MFCF provides foster children with opportunities not funded through existing agencies or programs allowing them to be nurtured, educated and enriched just like other children and grow into healthy, contributing adults.

The Hanger Project, a MFCF program, is a store with used clothing and accessories for adolescents in foster care. The adolescents may select five items per month. The teens also work in the store and learn job skills. CASA offers weekend classes on life skills and jobs/career building to strengthen their opportunities as they move toward adulthood.

**CASA OF THE PIKES PEAK REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Cash and Cash Equivalents** – For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash and highly liquid financial instruments held for investment purposes, regardless of original length to maturity, are reported as investments and excluded from this definition.

**Investments and Investment Return** – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Investments in money market funds and mutual funds are measured at quoted prices in active markets. Net investment return consists of interest and dividend income and the realized and unrealized gains and losses on investments, less investment management and custodial fees. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increase in net assets without restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. All other earnings on donor restricted investments are recognized as an increase in temporarily restricted net assets according to the nature of the restrictions on the original gift. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

**Grants Receivable** – Grants receivable are stated at unpaid balances. CASA considers its grants receivable to be fully collectible as of June 30, 2019, no allowance for doubtful accounts is considered necessary.

**Promises to Give** – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Promises to give are reported as either temporarily restricted or permanently restricted support unless the donor stipulations or circumstances surrounding the pledge make clear the donor intended it to be used to support activities in the current period. Conditional promises to give are not included as support until the conditions are met.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management analysis of specific promises made.

**Property and Equipment** – The Organization capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with restrictions to net assets without restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years. Cost of repairs and maintenance, which do not materially prolong the useful lives of the assets, are charged to expense when incurred.

**CASA OF THE PIKES PEAK REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Net Assets** – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Revenue and Revenue Recognition** – Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**Contributed Services** – No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations.

**Contributions** – Contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions.

**Income Tax Status** – The Organization is exempt, under Section 501(c)(3) of the Internal Revenue Code, from tax on income derived from donations, income generated by activities carried on in furtherance of its exempt purpose and certain other specified income and, in addition, is qualified to receive tax deductible contributions.

Management believes that based on evaluation of its tax position, any liability as a result of uncertain tax positions would not be material. Management continually evaluates expiring statutes of limitations, changes in the tax laws, and new authoritative rulings to assist in evaluating its tax position. Accrued interest and penalties associated with uncertain tax positions, if any, would be recognized as part of the income tax position.

**CASA OF THE PIKES PEAK REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Functional Allocation of Expenses** – The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Comparative Financial Information** – The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Organization’s audited financial statements for the year ended June 30, 2018, from which the summarized information was derived.

**Reclassifications** – Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**New Accounting Pronouncement** – On August 18, 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

**NOTE 1 – AVAILABILITY AND LIQUIDITY**

The Organization has \$1,010,348 of financial assets available within one year of the balance sheet date consisting of cash of \$538,457, grants receivable and promises to give of \$471,891. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The promise to give are subject to time restrictions but will be collected within one year. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$300,000. The Organization also has access to a line of credit of \$100,000 and credit card limits of \$12,500.

**CASA OF THE PIKES PEAK REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – PROMISES TO GIVE**

Unconditional promises to give at June 30 are as follows:

	<u>2019</u>	<u>2018</u>
Promises to Give in One Year	\$ 327,103	\$ 301,901
Promises to Give in Two to Five Years	26,280	84,615
Total Gross Promises to Give	<u>353,383</u>	<u>386,516</u>
Less Discount to Net Present Value	1,368	3,382
Less Allowance for Uncollectible Promises to Give	25,529	30,643
Net Promises to Give	<u>\$ 326,486</u>	<u>\$ 352,491</u>
Net Promises to Give, in One Year	\$ 301,574	\$ 271,258
Net Promises to Give, in Two to Five Years	24,912	81,233
	<u>\$ 326,486</u>	<u>\$ 352,491</u>

Promises to give were discounted using a 5% rate as of June 30, 2019.

**NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles establish a framework for measuring fair market value using the following levels:

*Level 1 Inputs:* Quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.

*Level 2 Inputs:* Other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted market prices of similar assets or liabilities in an active markets, or quoted market prices for identical or similar assets or liabilities in markets that are not active).

*Level 3 Inputs:* Are unobservable (e.g., an organization's own data) and should be used to measure fair value to the extent observable inputs are not available.

**CASA OF THE PIKES PEAK REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS - Continued**

The following are the major categories of investments measured at a fair value on a recurring basis during the ended June 30, 2019:

<u>Description</u>	<u>Fair Value</u>	<u>Level 1</u> <u>Quoted</u> <u>Prices in</u> <u>Active Markets</u>	<u>Level 2</u> <u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u>	<u>Level 3</u> <u>Significant</u> <u>Unobservable</u> <u>Inputs</u>
Fixed Income	\$ 222,648	\$ 222,648	\$ -	\$ -
Equities	389,011	389,011	-	-
Total Investments at Fair Value	<u>\$ 611,659</u>	<u>\$ 611,659</u>	<u>\$ -</u>	<u>\$ -</u>

The following are the major categories of investments measured at a fair value on a recurring basis during the ended June 30, 2018:

<u>Description</u>	<u>Fair Value</u>	<u>Level 1</u> <u>Quoted</u> <u>Prices in</u> <u>Active Markets</u>	<u>Level 2</u> <u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u>	<u>Level 3</u> <u>Significant</u> <u>Unobservable</u> <u>Inputs</u>
Fixed Income	\$ 126,424	\$ 126,424	\$ -	\$ -
Equities	485,687	485,687	-	-
Total Investments at Fair Value	<u>\$ 612,111</u>	<u>\$ 612,111</u>	<u>\$ -</u>	<u>\$ -</u>

Investment income consisted of the following for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Interest and Dividends, Net	\$ 22,692	\$ 20,800
Realized and Unrealized (Losses) Gains	(30,420)	30,228
Net Investment (Loss) Income	<u>\$ (7,728)</u>	<u>\$ 51,028</u>

**CASA OF THE PIKES PEAK REGION, INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Building	\$ 1,132,974	\$ 1,132,974
Land	176,700	176,700
Equipment and Software	206,365	206,365
Total	<u>1,516,039</u>	<u>1,516,039</u>
Less Accumulated Depreciation	230,930	179,708
	<u>\$ 1,285,109</u>	<u>\$ 1,336,331</u>

Depreciation expense for June 30, 2019 was \$51,222, and for June 30, 2018 was \$38,141.

**NOTE 5 – LINE OF CREDIT AGREEMENT**

CASA has a \$100,000 line of credit agreement with a commercial bank. The line of credit bears interest at 2.0% over prime and automatically renews with the consent of both parties each year. At June 30, 2019 and 2018 there were no outstanding borrowings under the line of credit agreement.

**NOTE 6 – NOTES PAYABLE**

Notes payable consist of a promissory note, bearing interest at 2%. Interest only payments are due through December 2018. Following the interest only period, interest and principal payments are due monthly through December 2022 in the amount of \$8,678. The note is collateralized by real property. In 2019 CASA paid off the promissory note in full.

**NOTE 7 – OPERATING LEASES**

CASA has various leases for a copier and office space with varying expirations through 2024. Rent expense under these leases for the years ended June 30, 2019 and 2018 was \$8,844, and \$7,044, respectively. As of June 30, 2019, future minimum lease payments under these operating leases are as follows:

2020	\$	11,452
2021		9,332
2022		9,332
2023		7,212
2024		7,212
	<u>\$</u>	<u>44,540</u>

**NOTE 8 – EMPLOYEE BENEFIT PLAN**

CASA has a simple IRA plan for its employees in which CASA matches employee contributions up to 3% of salaries. Employer contributions amounted to \$13,743 and \$14,032 for the years ended June 30, 2019 and 2018, respectively.

**CASA OF THE PIKES PEAK REGION, INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – RELATED PARTY TRANSACTIONS**

For the years ended June 30, 2019 and 2018, contributions from members of the Board of Directors were \$132,822 and \$195,270, respectively.

**NOTE 10 – NET ASSETS**

Net asset with donor restriction - endowment were as follows for year ended June 30, 2019:

	<b>Net Assets With Donor Restrictions-Endowment</b>		
	<b>Temporary in Nature</b>	<b>Perpetual in Nature</b>	<b>Total</b>
Beginning Balance	\$ 51,554	\$ 126,535	\$ 178,089
Contributions	-	6,088	6,088
Investment Income, Net of Fees	(3,329)	-	(3,329)
Withdrawals (Released)	-	-	-
Ending Balance	\$ 48,225	\$ 132,623	\$ 180,848

Net asset with donor restrictions were as follows for year ended June 30, 2019:

	<b>Net Assets With Donor Restrictions</b>		
	<b>Temporary in Nature (Time)</b>	<b>Temporary in Nature (Program)</b>	<b>Total</b>
Beginning Balance	\$ 352,491	\$ 111,751	\$ 464,242
Contributions	742,320	-	742,320
Grants	100,000	-	100,000
Milton Foster Care Fund	-	9,078	9,078
Investment Income, Net of Fees	-	-	-
Withdrawals (Released)	(696,641)	(52,392)	(749,033)
Ending Balance	\$ 498,170	\$ 68,437	\$ 566,607

Net asset without restrictions were as follows for year ended June 30, 2019:

	<b>Net Assets Without Restrictions</b>		
	<b>Board Designated for Endowment</b>	<b>Undesignated</b>	<b>Total</b>
Beginning Balance	\$ 55,686	\$ 1,634,195	\$ 1,689,881
Investment Income, Net of Fees	-	-	-
Change in Net Assets	(1,051)	401,430	400,379
Ending Balance	\$ 54,635	\$ 2,035,625	\$ 2,090,260



**CASA OF THE PIKES PEAK REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 – ENDOWMENT**

The Organizations' endowment funds consist of board designated funds, and Circle of Impact funds.

CASA has updated their policy to allow income earned by the fund to be distributed to CASA's general support revenue for its programs upon the vote of a majority of the Board of Directors of CASA. In general, the permanently restricted (perpetual in nature) restricted original contributions to the fund shall not be invaded.

**Interpretation of Relevant Law** - The Board has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, CASA classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not restricted in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

**Return Objectives and Risk Parameters** - CASA has adopted investment and spending policies for endowment assets that attempt to provide a funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The endowment assets are invested to generate moderate appreciation with some focus on income while assuming a moderate level of investment risk.

**Strategies Employed for Achieving Objectives** - To satisfy its long-term rate-of-return objectives, CASA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

**NOTE 12 - CONCENTRATIONS, RISKS AND UNCERTAINTIES**

CASA maintains its cash and cash equivalents in bank deposit account which at time, exceeds federally insured limits. The Organization has not experienced any loss in such counts, and CASA believes it is not exposed to any significant credit risk on its cash balances.

**NOTE 13 – ALLOCATION OF FUNCTIONAL EXPENSE**

The financial statements report certain categories of expense that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort.

**NOTE 14 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 2, 2019, the date on which the financial statements were available to be issued.